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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financing of the United Nations Interim Force in Lebanon

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 1997 to 30 June 1998. The General Assembly, by its resolution 51/233 of 13 June 1997, appropriated an amount of $124,969,700 gross ($120,860,700) for the maintenance of UNIFIL for the same period.

Expenditures for the period totalled $125,027,300 gross ($121,704,700) resulting in additional requirements of $57,600 ($844,000 net).

The excess of expenditure over the approved appropriation for the period is largely attributable to the upward revision of local staff salaries by 61.8 per cent effective 1 March 1997 and delayed liquidation of obligations no longer required, but which could not be identified and cancelled before the closing of the accounts.

The present report also provides updated information on expenditure in connection with the incident at Qana on 18 April 1996, totalling $1,284,633 against the commitment authorization of $1,773,618 granted under the terms of paragraph 7 of General Assembly resolution 51/233.

The actions to be taken by the General Assembly in connection with the financing of UNIFIL are contained in paragraph 13 of the present report.

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Contents

		Paragraphs	Page
I.	Introduction	1–4	3
II.	Implementation of the budget	5–8	3
III.	Financial performance report for the period from 1 July 1997 to 30 June 1998	9–10	4
IV.	Costs in connection with damages resulting from the incident at Qana on 18 April 1996	11–12	5
V.	Actions to be taken by the General Assembly at its fifty-third session	13	6
Annexes			
I.	Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement		7
II.	Supplementary information on significant variances		9
III.	Planned and actual deployment of military and civilian personnel for the period from 1 July 1997 to 30 June 1998		12
IV.	Apportionment and expenditures for the period from 1 July 1997 to 30 June 1998		13

I. Introduction

1. The United Nations Interim Force in Lebanon (UNIFIL) was established for an initial period of six months by the Security Council in its resolution 425 (1978) of 19 March 1978. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1188 (1998) of 30 July 1998, by which the Council extended the mandate of UNIFIL until 31 January 1999.

2. The budget for the maintenance of UNIFIL for the period from 1 July 1997 to 30 June 1998 was set out in the report of the Secretary-General dated 21 February 1997 (A/51/535/Add.2) and amounted to $122,166,000 gross ($118,031,000 net). It provided for maintaining the Force, consisting of 4,513 troops (3,518 infantry and 995 logistics), supported by a civilian establishment of 487 (143 international and 344 local level) posts. The civilian establishment proposed included a request for conversion of 151 general temporary assistance-funded positions to local level posts.

3. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 52 of its report of 2 April 1997 (A/51/684/Add.1) recommended conversion of 140 instead of 151 general temporary assistance-funded positions to local level posts and an appropriation of $122,035,000 gross ($117,926,000 net).

4. The General Assembly, by its resolution 51/233 of 13 June 1997, appropriated an amount of $124,969,700 gross ($120,860,700 net) for the maintenance of UNIFIL for the period from 1 July 1997 to 31 June 1998, inclusive of the amount of $4,708,300 for the support account for peacekeeping operations. This amount has been assessed on Member States.

II. Implementation of the budget

5. Information on the operation of UNIFIL during the period under review is contained in the reports of the Secretary-General to the Security Council dated 17 July 1997 (S/1997/550/Corr.1), 20 January 1998 (S/1998/53) and 16 July 1998 (S/1998/652).

6. In paragraph 3 of his report containing the Force's budget estimates for the period under review (A/51/535/Add.2), the Secretary-General stated that UNIFIL had been established in 1978 for the purpose of confirming the withdrawal of Israeli forces, restoring international peace and security and assisting the Government of Lebanon in ensuring the return of its effective authority in the area of operations (Security Council resolution 425 (1978)). UNIFIL had been prevented so far from implementing any part of that mandate. In the meantime, its task remained as laid down in the Secretary-General's report of 19 March 1978 (S/12611), namely, to ensure the peaceful character of its area of operations or, more precisely, of that part of the area which was not under Israeli occupation. In doing so, UNIFIL also afforded a measure of protection to the civilian population.

7. It is recalled that, by its resolution 51/233, the General Assembly, *inter alia*, authorized the Secretary-General to enter into commitments for the Force in the amount of $1,773,618 to cover the costs resulting from the incident at the headquarters of the Force at Qana on 18 April 1996, and decided that that amount should be borne by the Government of Israel. As a result of the decision, the General Assembly correspondingly reduced the Secretary-General's budget for the period under review by $1,773,618. The Secretariat implemented the reduction of $1,773,618 under the following budget lines: military personnel costs ($10,177), civilian personnel costs ($13,320), premises/accommodation ($963,243),

transport operations ($114,367), air operations ($120,564), communications ($247,032), other equipment ($84,272), supplies and services ($220,043), and air and surface freight ($600). This has resulted in expenditure overruns reported against the adjusted apportionments under budget headings for premises/accommodation, communications, other equipment and supplies and services.

8. In order for UNIFIL not to exceed the adjusted budget level approved by the General Assembly, it was necessary to realign the apportionment of resources and to adjust planned work. Some savings were also obtained from receipt of vehicles, prefabricated units, kitchen equipment, generators, electronic data-processing equipment and office furniture/equipment from ex-mission stock at the United Nations Logistics Base at Brindisi, Italy, United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the United Nations Police Support Group, as well as receipt of voluntary contributions in the form of medical supplies amounting to $76,810 from the Government of Germany. These measures helped to offset other additional requirements under the headings premises/accommodation, communications, other equipment, supplies and services, purchase of urgently needed messing equipment, safety equipment, upgrade of helicopter landing pads, and payment of the 61.8 per cent increase in local staff salaries effective on 1 March 1997. It is also for this reason that it was not possible for the UNIFIL budget to absorb its share of the prorated cost of the maintenance of the United Nations Logistics Base at Brindisi in accordance with General Assembly resolution 52/1 A of 15 October 1997.

III. Financial performance report for the period from 1 July 1997 to 30 June 1998

9. As indicated in table 1 below, from the appropriation of $124,969,700 gross ($120,860,700 net) for the period from 1 July 1997 to 30 June 1998, expenditures amounted to $125,027,300 gross ($121,781,500 net), inclusive of $55,697,200 in unliquidated obligations, resulting in additional requirements of $57,600 gross ($844,000 net) for which no additional appropriation is being sought, as it will be covered by the liquidation of obligations no longer required for the period. Annex I to the present report contains the financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditures by main budget groups.

10. Information on the deployment of military contingent and civilian personnel during the reporting period is presented in table 2.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*	*Variance*
Military personnel costs	78 381 8	76 445 2	1 936 6
Civilian personnel costs	19 606 0	21 597 9	(1 991 9)
Operational costs	18 184 6	18 973 3	(788 7)
Other programmes	—	—	—
United Nations Logistics Base at Brindisi	—	—	—
Support account for peacekeeping operations	4 708 3	4 708 3	—
Staff assessment	4 089 0	3 302 6	786 4
Total	**124 969.7**	**125 027.3**	**(57.6)**
Income from staff assessment	(4 089 0)	(3 302 6)	(786 4)
Other income	(20 0)	(20 0)	—
Voluntary contributions in kind (budgeted)	—	—	—
Net requirements	**120 860.7**	**121 704.7**	**(844.0)**
Voluntary contributions in kind (non-budgeted)	76 8	76 8	—
Total resources	**120 937.5**	**121 781.5**	**(844.0)**

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1997 to 31 June 1998

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	—	—	—
Military contingents	4 513	4 367	3 2
Civilian police	—	—	—
International staff	143	129	10 0
Local staff	333	348	(4 0)
United Nations Volunteers	—	—	—

IV. Costs in connection with damages resulting from the incident at Qana on 18 April 1996

11. By paragraph 7 of its resolution 51/233, the General Assembly authorized the Secretary-General to enter into commitments for UNIFIL in the amount of $1,773,618 to cover the costs directly attributable to the incident at Qana and costs associated with the relocation of the Fijian battalion headquarters. By paragraph 8 of the same resolution, the General Assembly decided that this amount should be borne by the Government of Israel.

This was reaffirmed by the Assembly in its resolution 52/237 of 26 June 1998. To date, no payment has been received from the Government of Israel.

12. Total actual expenditures against the commitment authorization of $1,773,618 granted under the terms of paragraph 7 of resolution 51/233 amounted to $1,284,633. Final charges against this commitment authority amounting to $253,993 were recorded during the period under review from 1 July 1997 to 30 June 1998. These charges were recorded under the budget lines for construction/prefabricated buildings ($133,429) and air operations ($120,564). A breakdown of the total expenditures incurred relating to the Qana incident, by financial period, is provided in table 3 below. In view of the foregoing, the amount of the commitment authority and the amount to be borne by the Government of Israel should be revised downward from $1,773,618 to $1,284,633 to reflect the final actual expenditures incurred and recorded in connection with the Qana incident.

Table 3
Expenditure associated with damages resulting from the incident at Qana on 18 April 1996
(United States dollars)

Financial period	*Expenditures directly attributable to the incident of 18 April 1996*	*Expenditures related to the relocation of Fiji battalion at headquarters*	*Total expenditure*
1 February to 30 June 1996	391 284	—	391 284
1 July 1996 to 30 June 1997	209 251	430 105	639 356
1 July 1997 to 30 June 1998 (Final)	120 564	133 429	253 993
Total	**721 099**	**563 534**	**1 284 633**

V. Actions to be taken by the General Assembly at its fifty-third session

13. The actions to be taken by the General Assembly in connection with the financing of UNIFIL are:

(a) To take note of the additional requirements of $57,600 gross ($844,000 net) for the period from 1 July 1997 to 30 June 1998 which will be covered by the liquidation of obligations no longer required for the same period;

(b) To revise the amount of the commitment authority granted in paragraph 7 of General Assembly resolution 51/233 in connection with the costs resulting from the incident at Qana on 18 April 1996, and correspondingly, the amount to be borne by the Government of Israel as decided in paragraph 8 of the same resolution, from $1,773,618 to $1,284,633.

Annex I

Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement

(Thousands of United States dollars)

		(1)	(2)	(3)	(4) = (1-3)
		Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
I.	**Military personnel costs**				
1	Military observers	—	—	—	—
2	Military contingents	77 381 8	—	75 334 3	2 047 5
3	Other costs pertaining to military personnel				
	(a) Contingent-owned equipment	—	—	110 9	(110 9)
	(b) Death and disability compensation	1 000 0	—	1 000 0	—
	Subtotal, line 3	**1 000.0**	**—**	**1 110.9**	**(110.9)**
	Total, category I	**78 381.8**	**—**	**76 445.2**	**1 936.6**
II.	**Civilian personnel costs**				
1	Civilian police	—	—	—	—
2	International and local staff	19 606 0	—	21 597 9	(1 991 9)
3	International contractual personnel	—	—	—	—
4	United Nations Volunteers	—	—	—	—
5	Government-provided personnel	—	—	—	—
6	Civilian electoral observers	—	—	—	—
	Total, category II	**19 606.0**	**—**	**21 597.9**	**(1 991.9)**
III.	**Operational costs**				
1	Premises/accommodation	1 884 5	—	2 516 3	(631 8)
2	Infrastructure repairs	—	—	—	—
3	Transport operations	8 963 7	2 029 3	8 358 2	605 5
4	Air operations	1 097 4	1 095 6	1 095 6	1 8
5	Naval operations	—	—	—	—
6	Communications	1 012 0	714 2	1 267 4	(255 4)
7	Other equipment	1 882 6	2 142 4	2 142 4	(259 8)
8	Supplies and services	2 932 0	—	3 220 8	(288 8)
9	Air and surface freight				
	(a) Transport of contingent-owned equipment	—	—	—	—
	(b) Commercial freight and cartage	412 4	—	372 6	39 8
	Subtotal, line 9	**412.4**	**—**	**372.6**	**39.8**
	Total, category III	**18 184.6**	**5 981.5**	**18 973.3**	**(788.7)**

	(1) Apportionment	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) (1-3) Variance
IV. Other programmes				
1 Election-related supplies and services	—	—	—	—
2 Public information programmes	—	—	—	—
3 Training programmes	—	—	—	—
4 Mine-clearing programmes	—	—	—	—
5 Assistance for disarmament and demobilization	—	—	—	—
Total, category IV	**—**	**—**	**—**	**—**
V. United Nations Logistics Base at Brindisi	—	—	—	—
VI. Support account for peacekeeping operations	4 708.3	—	4 708.3	—
VII. Staff assessment	4 089.0	—	3 302.6	786.4
Total, categories I–VII	**124 969.7**	**5 981.5**	**125 027.3**	**(57.6)**
VIII. Income				
Staff assessment	(4 089.0)	—	(3 302.6)	(786.4)
Other income	(20.0)		(20.0)	—
Total, category VIII	**(4 109.0)**	**—**	**(3 322.6)**	**(786.4)**
IX. Voluntary contributions in kind (budgeted)	—	—	—	—
Total, categories VIII and IX	**(4 109.0)**	**—**	**(3 322.6)**	**(786.4)**
Gross requirements	124 969.7	4 885.9	125 027.3	(57.6)
Net requirements	120 860.7	4 885.9	121 704.7	(844.0)
X. Voluntary contributions in kind (non-budgeted)	76.8	76.8	76.8	—
Total resources	**120 937.5**	**4 962.7**	**121 781.5**	**(844.0)**

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: $78,381,800; expenditure: $76,445,200; variance: $1,936,600

1. The unutilized balance of $1,936,600 under this heading was largely due to savings resulting from the rebidding of the rations contract, as well as lower actual cost of local purchases of fresh fruit and vegetable than estimated, long-term global bidding of charter flights in respect of rotations of troops and a lower actual average troop strength (4,367) than authorized (4,513) during the reporting period. These savings were offset in part by additional requirements under contingent-owned equipment to cover the cost of reimbursement of a government claim for the previous period for which no obligation had been raised in that period.

Civilian personnel costs

Apportionment: $19,606,000; expenditure: $21,597,900; variance: ($1,991,900)

2. The additional requirement of $1,991,900 under this heading resulted primarily from paying an unbudgeted increase in local staff salaries by 61.8 per cent effective on 1 March 1997 and the delayed termination/separation of individual local contractors under special service agreements and local staff hired as general temporary assistance based on their actual contract expiration dates, which were mostly in July or August of 1997, rather than 30 June 1997. These additional requirements were partially offset by savings under international staff salaries as a result of the average vacancy rate of 10 per cent that prevailed for such staff during the period under review.

Operational costs

Apportionment: $18,184,600; expenditure: $18,973,300; variance: ($788,700)

3. The additional requirement of $788,700 under this heading resulted from the additional requirements of $1,435,800 under premises/accommodation ($631,800), communications ($255,400), other equipment ($259,800), and supplies and services ($288,800), which were in part offset by unutilized balances of $647,100 under transport operations ($605,500), air operations ($1,800) and air and surface freight ($39,800).

(a) Premises/accommodation

Apportionment: $1,884,500; expenditure: $2,516,300; variance: ($631,800)

4. The additional requirement of $631,800 was due, among other things (see paras. 7 and 8 above), to construction/prefabricated building requirements offset in part by savings owing to reimbursement by the Government of Lebanon of the rental charges for UNIFIL House in Beirut from 1 February to 30 June 1998 and the obtaining of some supply items from the United Nations Logistics Base.

(b) Transport operations

Apportionment: $8,963,700; expenditure: $8,358,200; variance: $605,500

5. The unutilized balance of $605,500 under this heading resulted mainly from the cancellation of the purchase of heavy-duty specialized vehicles as a consequence of the transfer of 29 vehicles and workshop equipment and lubricants from the United Nations Police Support Group, and from a favourable unit cost compared to estimated cost for purchase of 4X4 vehicles as a result of the system contract. These savings were in part offset by additional requirements under vehicle insurance, owing to a sharp increase in the cost of premiums under the United Nations worldwide third-party liability insurance policy, higher-than-estimated costs for spare parts for the rapidly aging fleet of 4X4 vehicles and armoured personnel carriers needed to meet basic safety and reliability standards.

(c) Air operations

Apportionment: $1,097,400; expenditure: $1,095,600; variance: $1,800

6. The unutilized balance of $1,800 under this heading was mainly attributable to lower actual helicopter flying hours than estimated during the reporting period, offset in part by an increase in the premium for third-party liability insurance for helicopters from $2,000 (March 1996) to $5,500 (March 1997) and finally to $19,559 per helicopter (March 1998).

(d) Communications

Apportionment: $1,012,000; expenditure: $1,267,400; variance: ($255,400)

7. The additional requirement of $255,400 was due, among other things (see paras. 7 and 8 above), to unbudgeted purchase of digital test equipment, offset in part by unutilized balances under telephone charges as a result of the more favourable telephone rates obtained.

(e) Other equipment

Apportionment: $1,882,600; expenditure: $2,142,400; variance: ($259,800)

8. The additional requirement of $259,800 under this heading was due, among other things (see paras. 7 and 8 above) to unbudgeted procurement of (a) a scanning/imaging system; (b) three defibrillator units; (c) requirements to complete the Naquora camp catering project and upgrading of the northern, southern and hospital mess facilities; and (d) equipment for upgrading the helicopter landing pads following a fatal helicopter accident.

(f) Supplies and services

Apportionment: $2,932,000; expenditure: $3,220,800; variance: ($288,800)

9. The additional requirement of $288,800 under this heading was due, among other things (see paras. 7 and 8 above), to (a) additional requirements under contractual services arising from the conversion of various special service agreement holders (local translators, interpreters, communications assistants, etc.) to local contractors; (b) higher-than-estimated number of medical examinations and hospitalizations required outside the UNIFIL hospital; (c) unbudgeted payment for settlement of a government claim for patrol dog supplies for prior years; and (d) additional sanitation and cleaning materials needed to meet hygiene and cleanliness requirements.

10. These additional requirements were in part offset by reduced medical supplies requirements, as the Government of Germany provided some of the supplies on a one-time

basis as voluntary contributions in kind and there were also transfers of medical and basic supplies from other peacekeeping missions.

(g) Air and surface freight

Apportionment: $412,400; expenditure: $372,600; variance: $39,800

11. The unutilized balance of $39,800 under this heading was due to favourable rates obtained from global shipping contracts.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: none; variance: none

12. See paragraph 8.

Staff assessment

Apportionment: $4,089,000; expenditure: $3,302,600; variance: $786,400

13. The net unutilized balance of $786,400 was mainly due to the overall vacancy rate of 10 per cent in respect of international staff, as reflected in annex III, which exceeded the anticipated overall vacancy rate of 5 per cent used in the original cost estimates for international staff.

Income from staff assessment

Apportionment: $4,089,000; expenditure: $3,302,000; variance: $786,400

14. This amount is derived from staff assessment.

Voluntary contributions in kind (non-budgeted)

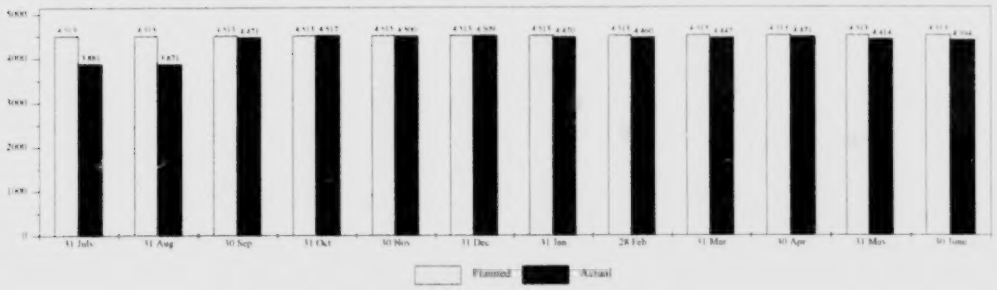
Apportionment: $76,800; expenditure: $76,800; variance: none

15. See paragraph 10.

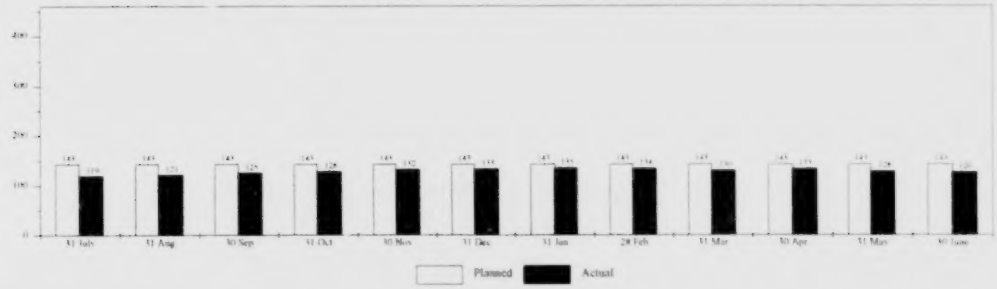
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1997 to 30 June 1998

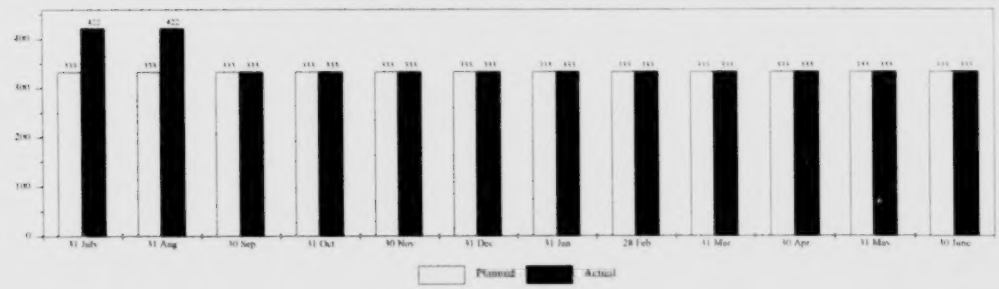
1. Military contingents



2. International civilian staff



3. Local civilian staff



Annex IV

Apportionment and expenditures for the period from 1 July 1997 to 30 June 1998